

Original Title Page

ZIM/CSCL VESSEL SHARING AGREEMENT

A Cooperative Working Agreement

FMC Agreement No. 011901

Expiration Date: None

This Agreement has not been published previously.



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ARTICLE 1: NAME OF THE AGREEMENT

The name of this agreement is the Zim/CSCL Vessel Sharing Agreement (the "Agreement").

ARTICLE 2: PURPOSE OF THE AGREEMENT

The purpose of the Agreement is to authorise the parties to establish a co-operative arrangement whereby vessels will be provided by the parties and space will be chartered between them in order to facilitate efficient service in the Trade (as hereinafter defined).

ARTICLE 3: PARTIES TO THE AGREEMENT

The parties to the Agreement (hereinafter referred to individually as a "party" and collectively as the "parties") are as follows:

1. ZIM Integrated Shipping Services, Ltd. ("ZIM")

Address: 9 Andrei Sakharov Street  
"Matam" – Scientific Industries Center  
P.O.B. 1723  
Haifa, 31016  
Israel

2. CHINA SHIPPING CONTAINER LINES CO. LTD. and CHINA SHIPPING CONTAINER LINES (HONG KONG) CO., LTD. (both such companies shall be treated as a single party hereunder and shall be referred to collectively as "CSCL")

Address: Room A, B, C, D, Floor 27  
No. 450 Fu Shan Road, Pu Dong New Area  
Shanghai, China

China Shipping Container Lines Co., Ltd. and China Shipping Container Lines (Hong Kong) Co., Ltd. shall be jointly and severally responsible for the performance of each of their obligations under this Agreement (or any agreements entered into pursuant hereto) and for any and all damages arising out of or resulting from any breach of this Agreement or such other agreements by either of them.

ARTICLE 4: GEOGRAPHIC SCOPE

The geographic scope of this Agreement shall cover the trade between Vancouver and United States ports within the San Diego, California/Seattle, Washington range and U.S. inland and coastal points served via such ports, on the one hand, and ports in countries bordering the Adriatic Sea, ports in Israel, and Sri Lanka and ports in the Far East within the Korea/Singapore/South East Asia range and inland and coastal points served via such ports, on the other hand and vice versa. Hereinafter, such geographic scope shall be referred to as the "Trade."<sup>1</sup>

ARTICLE 5: AGREEMENT AUTHORITY

5.1 Vessels. The parties are authorized to discuss and agree upon the number, size and characteristics of vessels to be deployed hereunder and the substitution of vessels as may be deemed necessary or appropriate, and to operate a service of up to sixteen (16)vessels with a nominal capacity of up to 4,500 TEUs each. Initially, the parties will operate a weekly service consisting of twelve (12)vessels, each with a capacity of approximately 3,000 to 4,250 TEUs. Eleven (11)of the vessels shall be provided by Zim, and one (1)by CSCL.

5.2 Vessel Schedule/Port Rotation. The parties are authorized to discuss and agree on ports to be called and port rotation and to change any port rotation so agreed upon by mutual consent of the parties. The port rotation may be changed by mutual consent of the parties without

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<sup>1</sup> To the extent the Trade covers transportation between non-U.S. countries, such non-U.S. trades are included in this Agreement solely for purposes of providing the FMC with the complete agreement of the parties.

a further amendment to this agreement. The parties are authorized to discuss and agree on the phasing-in/phasing-out of vessels for maintenance, whether programmed or unprogrammed. The parties also are authorized to discuss and agree on criteria to measure adherence to any agreed-upon schedule and remedial actions/consequences in the event of non-adherence.

5.3 Slot Allocation. Each party shall have a round voyage allocation proportionate to its vessel contribution, which allocation may vary depending on the vessel type and trade lane. In the event that a vessel is unable to lift agreed slots/deadweight because of known port restrictions, the total on board capacity/allocation is to be shared subject to a fixed number for each party to be further agreed or in proportion to the vessel/party contribution. Each party shall have the right to load reefer containers against a surcharge to be further discussed and subject to the number to be further discussed considering parties share and depending on the vessel type. For purposes of this Article 5.3, each party shall have the right to load High Cube Containers. Each high-cube FEU shall be counted as 2.25 TEUs from the first unit. 45-foot containers shall be loaded subject to the prior approval of the party operating the vessel and shall be counted as 2.53 TEUs from the first unit. Subject to the prior approval of the party operating the vessel, space in excess of the foregoing allocation may be made available to the other party upon request and on such terms and conditions as the parties agree from time to time. The parties are authorized to buy and sell slots from within their respective allocations from/to one another on such terms and conditions as they may agree from time to time. In addition,

Zim is authorized to sub-charter to CSCL space available to it on vessels of other parties to Agreement No. 011764 in such amounts and on such terms and conditions as the parties may agree from time to time.

5.4 Use of Space. Subject to applicable legal requirements, each party shall be entitled to use its allocation of space without any geographical restrictions regarding the origin or destination of the cargo, subject to such operational or legal restrictions as may be agreed from time to time.

5.5 Third Parties. Neither party may sub-charter space allocated to it on the vessel(s) of the other party to unaffiliated third-party ocean common carriers without the prior consent of the party providing the vessel(s) which shall not unreasonably withheld; provided, however, that it is understood and agreed that Zim may provide space on CSCL vessels to the other parties (namely Norasia Container Lines Limited, Great Western Steamship Company, Kawasaki Kisen Kaisha Ltd. (K-Line)) to FMC Agreements No. 011764, No. 011786, No. 011874 pursuant to those agreements.

5.6 Terminals. Initially, the vessels will call at terminals currently served by the AMP service. Changes in terminals shall be subject to mutual agreement of the parties.

5.7 Operational and Administrative Matters. The parties are authorized to discuss, develop, and agree upon operating procedures covering any and all matters within the scope of 46 C.F.R. §535.408(b), such as charter party terms, cargo claims and other liabilities, insurance, force majeure, indemnifications, general average, vessel schedules and itineraries, joint working procedures, financial arrangements, non-payment policies, standards for containers and for the acceptance of breakbulk, oversized and

dangerous cargo, security standards and procedures, compliance with government regulations and requirements, and other operational and/or administrative issues to implement the terms hereof.

ARTICLE 6: ADMINISTRATION AND DELEGATION OF AUTHORITY

6.1 This Agreement shall be administered and implemented by meetings, decisions, memoranda and communications among the parties.

6.2 The following individuals shall have the authority to file this Agreement and any modifications thereto with the Federal Maritime Commission on behalf of a party, as well as the authority to delegate same:

- (a) Any authorised officer of either of the parties; and
- (b) Legal counsel for either of the parties.

ARTICLE 7: EFFECTIVENESS, DURATION AND TERMINATION

7.1 This Agreement will take effect when effective in accordance with the provisions of the Shipping Act of 1984, as amended or on March 10, 2005, whichever is later, and will be implemented from the first sailing due to commence loading thereafter.

7.2 The Agreement will continue indefinitely but any party may withdraw from this Agreement by giving 6 months' notice of withdrawal; such notice may not be given before 18 months after the start of the service, to come into effect no earlier than 18 months after the start date of the Agreement set forth in Article 7.1 above.

7.3 Termination of this Agreement shall not affect any liability or obligations accrued hereunder prior to termination.

ARTICLE 8: ASSIGNMENT

Except as provided in Article 5.5 hereof, no party shall assign its rights or delegate its duties under this Agreement to any other person or entity without the prior written consent of the other party. Notwithstanding the above, each of the parties may assign its rights or delegates its duties under this agreement to a fully owned subsidiary subject to the prior written consent of the other party, which shall not be unreasonably withheld, provided that the parties to this agreement shall remain responsible for the due and punctual performance of all obligations imposed on the respective subsidiaries to this agreement.

ARTICLE 9: LAW AND ARBITRATION

9.1 Any dispute in relation to or in connection with this Agreement shall be settled by arbitration, to be held in London in accordance with and subject to the jurisdiction of the Laws of England prevailing at the commencement of any arbitration, by one arbitrator or, if no agreement can be reached on a single arbitrator, by a panel of three arbitrators familiar with ocean container shipping who will have no financial or personal interest whatsoever in or with any party or any of its affiliates and would not have acquired a detailed prior knowledge of the matter in dispute.

9.2 Any party hereto may call for such arbitration by service upon the other of a written notice specifying a brief description of the disputes, the monetary amount involved, if any, the differences which such party desires to put to arbitration, the remedy sought, and a list of proposed arbitrators. Within fifteen (15) days after service of such notice, the other Party shall



accept one of the proposed arbitrators or propose a different arbitrator. If no agreement can be reached as to one single arbitrator, each party shall choose one arbitrator and the parties shall request the President of the London Maritime Arbitrators Association to appoint the third arbitrator.

ARTICLE 10:        LANGUAGE

This Agreement and all notices, communications or other writing shall be in the English language and no party shall have any obligation to translate such matter into any other language. The wording in the English language shall prevail.

ARTICLE 11:        NOTICES

Any notice or other communication which one party hereto may require to give or to make to the other party under the Agreement shall, unless otherwise specifically provided herein, be written in English and sent by mail or facsimile with copy by mail, to the points of entry and addresses as designated from time to time.

ARTICLE 12:        ENFORCEABILITY

If any provisions of any clause in the Agreement, as presently stated or later amended or adopted, shall be held to be invalid, illegal or unenforceable in any jurisdiction in which this Agreement is operational then this Agreement shall be invalid only to the extent of such invalidity, illegality or unenforceability and no further. All remaining provisions hereof shall remain binding and enforceable.

**ARTICLE 13:**        **DISCLAIMER OF PARTNERSHIP**

This Agreement is not intended to create a partnership, joint venture, association, or joint liability of any type under the laws of any jurisdiction.

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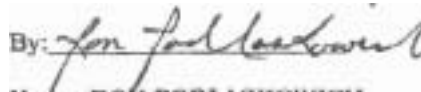
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Zim/CSCL vessel Sharing  
Agreement  
FMC Agreement No. 011901

SIGNATURE PAGE

IN WITNESS WHEREOF, the parties have caused this Agreement to be  
executed by their duly authorised representatives as of this 8<sup>th</sup> day of  
February, 2005.

ZIM INTEGRATED SHIPPING  
SERVICES. LTD.

By:   
Name: RON PODLASKOWICH

Title: Vice President  
Regulatory Matters and Trade Development

CHINA SHIPPING CONTAINER  
LINES CO. LTD. and CHINA SHIPPING  
CONTAINER LINES (HONG KONG) CO.,  
LTD. [acting as a single party]

By: \_\_\_\_\_

Name:

Title:

Zim/CSCL Vessel Sharing  
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IN WITNESS WHEREOF, the parties have caused this Agreement to be  
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February, 2005.

ZIM INTEGRATED SHIPPING  
SERVICES, LTD.

By: \_\_\_\_\_

Name:

Title:

CHINA SHIPPING CONTAINER  
LINES CO. LTD. and CHINA SHIPPING  
CONTAINER LINES (HONG KONG) CO.,  
LTD. (acting as a single party)

By: 

Name: Brett M. Esber

Title: Attorney-in-Fact